

REGULATION 26A

OFF-TRACK PARI-MUTUEL WAGERING

PROPOSED AMENDMENT TO REGULATION 26A

PURPOSE: To provide that an agreement between a pari-mutuel book and a track may specify that if the track is unable to accept wagering information through a manual merge, the requirement for manual merge may be waived by the chairman; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

(Draft Date: 05/28/08)

26A.140 Approval of agreements.

1. Except as provided in subsections 2 and 3, the terms and conditions of any agreement between the pari-mutuel books, any person representing the pari-mutuel books, systems operator, disseminator, track, and the holders of track rights agreements, or any combination thereof, relating in any way to the operation of an off-track pari-mutuel wagering system, an interstate or intrastate common pari-mutuel pool, or transmission of a live audio visual signal of races on which off-track pari-mutuel wagering will be conducted must be approved by the commission upon a recommendation of the board.

2. The chairman, after whatever investigation or review he deems necessary, may approve the following agreements:

(a) Any agreement, or amendment to an agreement, involving the sharing of pari-mutuel revenue if the commission has previously approved the person sharing in the revenue; or

(b) Any agreement, or amendment to an agreement, not involving the sharing of pari-mutuel revenue, whether or not the commission has previously approved such an agreement.

3. Agreements among the pari-mutuel books as to the types of intrastate pari-mutuel wagers to be accepted for a particular race or races do not require approval by the commission or the chairman.

4. An agreement between the pari-mutuel books and a track shall not be approved unless the chairman or commission, as applicable, is satisfied that:

(a) The agreement specifies the amount of the commission on wagers;

(b) The agreement specifies the manner in which breakage is to be allocated;

(c) The agreement specifies the manner in which the parties will handle a system or communication failure and specifically requires the track to accept wagering information from the systems operator through a manual merge for a reasonable amount of time; or the agreement specifies that if the track is unable to accept wagering information through a manual merge, or the applicable regulatory agency having jurisdiction over the track or the laws of the jurisdiction in which the betting system is located does not permit manual merge as a means of transmitting wagering information, the requirement for manual merge set forth in subsection 26A.130(1) may be administratively waived by the chairman.

(d) The track has complied with all federal statutes applicable to interstate pari-mutuel wagering;

(e) The track holds all necessary licenses in its home state to participate in the off-track pari-mutuel system and to provide the live audio visual signal;

(f) There are means for the board and the commission to obtain adequate access to information pertaining to the operation of the off-track pari-mutuel system, and the transmission of the live audio visual signal, and to investigate any associate of the track in such operation and transmission;

(g) There is assurance that the operation of the off-track pari-mutuel system and the transmission of the live audio visual signal will be lawfully conducted after approval by the commission or chairman, as applicable, and will not pose a threat to gaming control in Nevada;

(h) There is assurance that the track and its associates in the off-track pari-mutuel wagering system and live audio visual signal transmission will abide by the conditions and restrictions imposed upon approval;

(i) There is assurance that the right of Nevada to collect license fees from the pari-mutuel books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment; and

(j) There is assurance that the relationship of the track with any associate will not pose a threat to the interest of Nevada in regulating the gaming industry within the state.

5. A agreement between the pari-mutuel books and a systems operator relating to an interstate or an intrastate common pari-mutuel pool shall not be approved unless the chairman or commission, as applicable, is satisfied that:

(a) The agreement specifies the amount of the common pari-mutuel pool commission on wagers;

(b) The agreement specifies the manner in which the common pari-mutuel pool breakage is to be allocated;

(c) The agreement specifies the manner in which the parties will handle a system or communication failure;

(d) There are means for the board and the commission to obtain adequate access to information pertaining to the operation of the off-track pari-mutuel system; and

(e) There is assurance that the right of Nevada to collect license fees from the pari-mutuel books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment.

End – Regulation 26A